



PRESS RELEASE

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FDIC Seeks Public Comment on Templates for Safe, Low-cost Transactional and Basic Savings Accounts

The Federal Deposit Insurance Corporation (FDIC) is seeking public comment on templates describing potential features for safe, low-cost transactional and basic savings account products for low- and moderate-income (LMI) consumers. The templates can be reviewed on the FDIC's Web site at <http://www.fdic.gov/consumers/template/>.

"The need for safe, affordable transactional and savings products among the millions of consumers currently using alternative non-bank products is great," said FDIC Chairman Sheila C. Bair. "We have learned of financial institutions that have found ways to offer products to these consumers in an economically feasible way. These templates are an important step in increasing the supply of safe and affordable transactional and savings products by providing financial institutions with a roadmap for the essential elements related to these accounts."

At the April 1, 2010, meeting of the FDIC's Advisory Committee on Economic Inclusion (Come-IN), the Committee discussed the potential benefits - and successful offerings by insured financial institutions - of safe, low-cost transactional and basic savings account products for LMI consumers. The Committee recommended that the FDIC solicit public comment on criteria for transactional and basic savings account templates to encourage insured financial institutions to make safe, low-cost transactional and basic savings account products more widely available to LMI consumers.

Significant opportunities appear to exist for banks to provide such services to LMI consumers. According to a recent landmark FDIC survey, at least one-quarter of U.S. households either lack a bank account or use non-bank providers for some financial services (see FDIC's first National Survey of Unbanked and Underbanked Households at <http://www.fdic.gov/householdsurvey/>). A study of banks released by the FDIC last



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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year also revealed that three-quarters of banks are aware of significant underserved populations in their market area, but less than one-fifth had targeted these markets as a strategic priority (see the FDIC's first Survey of Banks' Efforts to Serve the Unbanked and Underbanked at http://www.fdic.gov/unbankedsurveys/unbankedstudy/FDICBankSurvey_ExecSummary.pdf).

The guiding principles in developing these templates are that these financial products have low and transparent fees; are simple to use; include easily understandable terms and conditions; are FDIC-insured and subject to consumer protection laws, regulations and guidelines; and represent sustainable product offerings for financial institutions.

The proposed transactional account template is an insured transactional account that is structured as a low-fee, basic checking account or an insured account-based debit card. The proposed basic savings account template is an insured account that encourages systematic or automatic deposit making, provides liquidity needed for coping with unexpected events, and does not penalize accountholders when withdrawals are made.

To assist the Committee in developing these templates, the FDIC is seeking comments on all aspects of the templates, including the potential benefits to underserved LMI consumers, product design features that would be attractive to LMI underserved consumers and feasible for insured financial institutions, and ways to minimize the cost of offering the financial products suitable for LMI consumers.

All comments should be sent to SafeAccountTemplateComments@fdic.gov on or before June 6, 2010. All comments received will be posted generally without change to <http://www.fdic.gov/consumers/template/>, including any personal information provided. A summary of the comments received will be presented for discussion at the next ComE-IN meeting scheduled for June 24, 2010, and will be posted afterward on the FDIC's Web site.
